

Message Text

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PAGE 01 STATE 038715
ORIGIN TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 XMB-04 AID-05 CEA-01
CIAE-00 COME-00 EA-09 FRB-01 INR-07 IO-13 NEA-10
NSAE-00 USIA-15 OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01
AGRE-00 OMB-01 /102 R

DRAFTED BY TREASURY:MRYSS:SMCP
APPROVED BY EB/IFD/ODF:FHTHOMAS
XMB:SGOODMAN
EUR/RPE:RBRESLER

-----190511 108063 /14

P 190253Z FEB 77
FM SECSTATE WASHDC
TO USMISSION OECD PARIS PRIORITY

UNCLAS STATE 038715

E.O. 11652: N/A

TAGS: OECD, ECG, EFIN

SUBJECT: OECD EXPORT CREDITS

RRF: (A) OECD PARIS 36088; (B) STATE AIRGRAM DATED
DECEMBER 30, 1976

1. REF (B) CONTAINED COMPLETE REWRITE OF US CHAPTER OF
TC/ECG/76-9. WE BELIEVE SECRETARIAT MAY BE INTERESTED IN
KNOWING WHERE SUBSTANTIVE CHANGES WERE MADE IN THE REF (B)
REVISION. WE ALSO WANT TO MAKE ADDITIONAL CHANGES TO
BRING CHAPTER UP-TO-DATE, INCLUDING MOST RECENT EXIMBANK
INTERESTS RATE CHANGES. ACCORDINGLY, MISSION REQUESTED
MODIFY SUBMISSION CONTAINED REF (B) AND ASCERTAIN WHETHER
SECRETARIAT PREFERS TO RECEIVE (A) COMPLETE REWRITE, (B)
CHANGES IN EXISTING TEXT, OR (C) BOTH.

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2. THE FOLLOWING CHANGES SHOULD BE MADE IN REF (B).

(A) PAGE 6 (C) OBJECTIVES, FIRST TICK - CHANGE QUOTE ABOUT
40 UNQUOTE TO QUOTE BETWEEN 30 AND 55 UNQUOTE.

(B) PAGE 7 (D) DIRECT LOANS - CHANGE QUOTE ABOUT 40 UNQUOTE
TO QUOTE BETWEEN 30 AND 55 UNQUOTE.

(C) PAGE 7, IV, FIRST SENTENCE - ADD QUOTE RELATED UNQUOTE BETWEEN MARKET AND RATES.

(D) PAGE 9, (C)(I) SECOND PARA. SHOULD READ: QUOTE AS OF JANUARY 5, 1977, THE RANGE OF INTEREST RATES APPLICABLE TO EXIMBANK DIRECT LOANS IS FROM EIGHT PERCENT TO NINE PERCENT DEPENDING ON THE TOTAL TERM OF THE LAON. LOANS REPAYABLE WITHIN SIX YEARS FROM DATE OF AUTHORIZATION CARRY AN INTEREST RATE OF EIGHT PERCENT. RATES INCREASE ONE-EIGHTH OF ONE PERCENT FOR EACH ADDITIONAL YEAR OF MATURITY UP TO A MAXIMUM OF NINE PERCENT FOR A LOAN REPAYABLE MORE THAN THIRTEEN YEARS FROM DATE OF AUTHORIZATION. HOWEVER, IN THE EVENT OF PROVEN COMPETITION WITH OTHER OFFICIAL EXPORT CREDIT AGENCIES, EXIMBANK CAN OFFER LOWER RATES, PROVIDED THAT THE BLEND OF EXIMBANK AND PRIVATE RATES DOES NOT FALL BELOW THE 7.5-8.0 PERCENT INTEREST RATE MINIMUMS SET FORTH IN THE UNILATERAL DECLARATION. UNQUOTE

(E) PAGE 9, (C)(I) TABLE-CHANGE EXIMBANK INTEREST RATE FROM 8.75 PERCENT TO 8.25 PERCENT AND FROM 9.0 PERCENT TO 8.50 PERCENT.

(F) PAGE 10. FOOTNOTE (1), LAST TWO SENTENCES. SHOULD READ: QUOTE IN FY 1976, DISCOUNT LOAN AUTHORIZATIONS AMOUNTED TO 1.2 BILL. DOL. TO PROVIDE A TOTAL EXPOSURE AS OF JUNE 30, 1976, OF 2.4 BIL. DOL. UNQUOTE.

3. SUBSTANTIVE CHANGES FROM EXISTING TEXT: (1) II(A), UNCLASSIFIED

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FCIA-MODIFIED TO REFLECT HIGHER CEILING; (2) II(B) FCIA, LAST TWO SENTENCES-MODIFIED TO RAISE CEILINGS, SHOW NEW COUNTRY CATEGORIZATION AND REFLECT ROLE OF EXIMBANK; (3) II(B), EXIMBANK, LAST TWO SENTENCES-MODIFIED TO SHOW FY 77 BUDGET CEILINGS; (4) II(E), MAXIMUM CREDIT LENGTHS, BUYER CREDITS-MODIFIED TO SHOW 10 RATHER THAN 15-YEAR PERIOD; (5) II(E) MINIMUM DOWNPAYMENT-MODIFIED TO REFLECT UNILATERAL DECLARATION; (6) II(H) FCIA, LAST THREE SENTENCES-MODIFIED TO SHOW EXTENT AND NATURE OF COVERAGE; (7) II(H) EXIMBANK GUARANTEES-MODIFIED TO SHOW NATURE OF EXIMBANK GUARANTEES; AND (8) III(B) EXIMBANK RESOURCES, FIRST TICK-MODIFIED TO ADD DIVIDEND PAID IN FY 75 AND FY 76; (9) III (B) SECOND TICK-RETAINED INCOME RESERVE CHANGED TO REFLECT PRESENT SITUATION; (10) III(B), ESTIMATED PLANNING BUDGET-MODIFIED TO SHOW FY 77 DATA; (11) III(C) OBJECTIVES, 1ST PARA-MODIFIED TO REFLECT THAT THERE ARE THREE PRINCIPAL LENDING PROGRAMS; (12) III(C) OBJECTIVES FIRST TICK-MODIFIED TO ELIMINATE BRACKETED PHRASE; (13) III(C) OBJECTIVES SECOND TICK-MODIFIED TO REFLECT FACT THAT ONLY FIXED IN-

TEREST RATE SUPPLIER CREDITS ARE COVERED; (14) III(C) OBJECTIVE, THIRD TICK-EXPANDS INFORMATION ON THE CFF PROGRAM;

(15) III(D) DISCOUNT LOANS-MODIFIED TO DELETE PARENTHETICAL REFERENCE; (16) IV-MODIFIED TO MORE ACCURATELY REFLECT THE EXISTING SITUATION; (17) IV(A) INCLUDING TABLE AND FOOTNOTE (1)-MODIFIED TO REFLECT CURRENT SITUATION; (18) IV(B)-MODIFIED TO REFLECT CURRENT SITUATION; (19) IV(C)(I) INCLUDING TABLE-MODIFIED TO MORE ACCURATELY REFLECT CURRENT SITUATION; (20) IV(C)(II) FOOTNOTE AND LAST SENTENCE-MODIFIED TO REFLECT CURRENT SITUATION; (21) IV(D)-MODIFIED TO REFLECT CURRENT SITUATION; AND (22) NOTE THAT PARA (E) OF ORIGINAL OECD/ECG DOCUMENT WAS DROPPED TO REFLECT FACT THAT EXIMBANK HAS NOT USED THE EEF SUPPORT FACILITY FOR SEVERAL YEARS.

HARTMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORT CREDIT GUARANTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: MRYSS:SMCP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770059-0769
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770224/aaaaavbj.tel
Line Count: 131
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: db57f2c3-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3273314
Secure: OPEN
Status: NATIVE
Subject: OECD EXPORT CREDITS RRF: (A) OECD PARIS 36088; (B) STATE AIRGRAM DATED DECEMBER 30, 1976
TAGS: ETRD, EFIN, OECD
To: OECD PARIS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/db57f2c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009